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Marlene H. Dortch, Secretary Federal Communications Commission Office of the Secretary **445** 12th Street, SW Washington, DC 20554

Re: Notice of Ex Parte Presentation, RM No. 11355

Dear Ms. Dortch:

At the request of Commission staff, Verizon Wireless provides the following information as to the costs of maintaining analog service on its network. Verizon Wireless estimates that the out-of-pocket costs of maintaining the analog network for an additional year would be approximately \$167 million. The primary components of these costs are: (1) maintaining T1 lines to connect analog cell sites to the network, utility costs, and vendor maintenance costs (\$85 million per year); (2) shed and tower space rental costs (\$72 million per year); and (3) costs associated with development of a switch capacity program (one-time cost of \$10 million).

Verizon Wireless's network requires separate T1 lines for its analog and digital networks, so costs associated with analog T1s are unique to the analog network and could be eliminated after the sunset of the analog network. Similarly, the electric utility costs for power to support the analog equipment, and vendor maintenance costs in servicing aging analog network, will not exist after analog equipment is removed from the network. Many existing cell sites also require the lease of space for analog equipment, above and beyond the space for equipment used for digital services. Those costs will be reduced once the analog network is no longer operational. However, these savings will not be achieved if analog service must be maintained. Also, because many switches that serve the analog and digital networks are at their maximum capacity, Verizon Wireless estimates that there will be a one-time cost of \$10 million for its vendors to develop solutions to allow additional capacity on these switches if the sunset is extended.

These figures do not include other indirect costs associated with a delayed sunset of the analog service requirement. For example, Network would need to continue to devote time and resources to servicing aging network equipment that would distract Verizon Wireless personnel from focusing on the maintenance and growth of digital and

broadband networks. Moreover, Verizon Wireless is spending billions of dollars to deploy its EVDO broadband wireless capability – helping to fulfill the Commission's often-stated policy goal of promoting broadband services to the public. Broadband capability requires spectrum. If spectrum currently reserved for the very small and decreasing amount of analog use (which is less than 0.1% of total network traffic) is not available for digital services due to a delay in the sunset and available digital spectrum is already fully deployed to meet customer demand, broadband deployment in some markets would be impeded, denying consumers the benefits of expanded broadband services.

Pursuant to Section 1.1206 of the Commission's Rules, an electronic copy of this letter is being filed for inclusion in the above-referenced docket. Please direct any questions regarding this filing to the undersigned.

Sincerely,

John T. Scott, III